

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6812

BILL NUMBER: SB 235

DATE PREPARED: Dec 18, 2001

BILL AMENDED:

SUBJECT: State Museums Commission.

FISCAL ANALYST: Bernadette Bartlett

PHONE NUMBER: 232-9586

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
☐ **FEDERAL**

IMPACT: State

Summary of Legislation: This bill establishes the State Museums Commission (SMC) to govern the State Museum and historic sites. The bill establishes the State Museums Fund. It establishes the Historic Sites Advisory Council to make recommendations to the SMC. It includes transitional provisions to transfer the museums function from the Department of Natural Resources (DNR) to the SMC. It also repeals laws governing the State Museum and historic sites as entities administered by DNR. (The introduced version of this bill was approved by the Natural Resources Study Committee.)

Effective Date: Upon passage.

Explanation of State Expenditures: The bill transfers all powers, duties, assets, and liabilities of the DNR regarding the Division of State Museums and Historic Sites to the SMC. The Indiana State Museum, including real property, personal property, and artifacts of the Indiana State Museum, is transferred from the Division of State Museums and Historic Sites to the SMC.

The bill provides for the appointment of the members of the Commission. The bill authorizes the Commission to develop a separate personnel system for employees of the Commission and provides that the SMC's employees are subject to the state personnel system if the Commission does not adopt its own personnel system.

Each member of the Commission who is not a state employee is entitled to per diem and travel expenses. Each member of the Commission who is a member of the General Assembly is entitled to receive \$112 per diem and \$0.345 mileage to be paid from appropriations made to the Legislative Council or the Legislative Services Agency.

The Commission may adopt rules pertaining to the governance of the Commission and the State Museum. The Commission may also provide information on historic artifacts, materials, items, and sites. It may advise

and coordinate the activities of other state agencies, local historical associations, historic district commissions, historic commissions, and other interested groups or persons. The Commission may also provide technical and financial assistance to local historical associations, historic district commissions, historic commissions, and other interested groups or persons; develop a program of interpretation and publication of the Indiana State Museum's historical artifacts; and collect and preserve objects of scientific and cultural value representing past and present flora and fauna, the life and work of humans, geological history, natural resources, the manufacturing arts, and fine arts. The Commission may operate a museum shop; hire and pay salaries for full-time or part-time employees for the souvenir shops; contract with a nonprofit organization or corporation for the continuous management of the souvenir shops; and report annually to the Governor on the activities of the souvenir shops.

The State Museums Fund is established. The Commission may spend money in the fund for the following purposes: maintenance or repair of properties; maintenance, repair, and acquisition of exhibits, programming, and related expenses, appropriate artifacts, memorabilia, and merchandise. The expenses of administering the fund are to be paid from money in the fund. The impact of this provision is indeterminable and will depend on actions of the Commission.

The bill establishes the Historic Sites Advisory Council. Each member of the council is entitled to reimbursement for traveling expenses. Members would be entitled to \$0.345 mileage. If the council met at least quarterly, as required, and if all members traveled 100 miles round trip, council expenses are estimated at \$2,622 (100 miles round trip * \$0.345 mileage * 19 members * 4 meetings). Expenses of the council would be paid from the budget of the State Museum.

The Budget Agency shall transfer to the Commission all appropriations contained in the budget appropriation for the Department of Natural Resources for the period beginning July 1, 2002, and ending June 30, 2003, that were intended for the operation and improvement of the state museums.

The DNR support staff would not decrease due to a transfer of the State Museum to another commission. The DNR has a support staff of about 62 positions which include the divisions of Accounting, Internal Audit, Budget and Support, Payroll and Human Resources, Legal, Executive Staff, and Management Information. The DNR has an annual operating budget of approximately \$100 M and a work force of approximately 1,500 full-time and 1,800 intermittent employees. The Museum has an estimated base staff of 60. The transfer of a relatively small portion of the DNR's entire budget and staffing to another commission would not reduce the number of support staff needed at DNR.

The new museum will cost \$105 M and will open in May 2002. The museum's budget will be an estimated \$8.5 M budget with 107 full-time employees.

Explanation of State Revenues: Proceeds from fees for admission to the State Museum, user fees, sales at museum shops, facility rentals, restaurant sales, and any other monies generated by the museum must be deposited in the Museums Fund. The Commission may invest the money in the fund not currently needed to meet the obligations of the fund in a manner consistent with policies adopted by the Commission. Money in the fund at the end of the fiscal year does not revert to the State General Fund. The Commission may also borrow funds; issue revenue bonds; and fix and collect rents, admission charges, entrance fees, tolls, and other user charges for the museums, restaurants, or other facilities. The impact of these provisions will depend upon the action of the Commission.

All money generated at a historic site shall be retained by the historic site generating the money for use at

that historic site; and not be deposited in the Museums Fund.

The State Museum will charge an admission fee of \$7 for ages 13 and older, \$6.50 for senior citizens 62 and older, and \$4 for ages 4-12. Pre-scheduled, chaperoned groups from Indiana schools, with a minimum of 10 visitors, will be admitted free. People with Hoosier Works cards, the state's electronic benefits transfer program for low-income residents, also will be admitted free.

Marketing surveys show the museum can expect to draw from 290,000 to 560,000 visitors in its first year of operation at the new site. If 560,000 adults visit the Museum, an estimated \$3.9 M would be generated from admission fees.

A person who knowingly or intentionally alters, without a permit, historic property located on property owned or leased by the state commits a Class B misdemeanor. If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund would increase. The maximum fine for a Class B misdemeanor is \$1,000. Criminal fines are deposited in the Common School Fund. If the case is filed in a circuit, superior, or county court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund.

Explanation of Local Expenditures: If more defendants are detained in county jails prior to their court hearings, local expenditures for jail operations may increase. A Class B misdemeanor is punishable by up to 180 days in jail. The average daily cost to incarcerate a prisoner in a county jail is approximately \$44.

Explanation of Local Revenues: If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

State Agencies Affected: Department of Natural Resources, Department of Correction, Legislative Council, and Legislative Services Agency.

Local Agencies Affected: Circuit or Superior Court in Marion County, trial courts, local law enforcement agencies.

Information Sources: Mickey James, Assistant Director, Executive Office, DNR, (317) 232-4020; Indiana Sheriffs Association; and the Department of Correction.